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CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2444

Introduced by Assembly Member Klehs
(Coauthors: Assembly Members Chan, Coto, Evans, Hancock,
Leno, Lieber, Nation, Torrico, Wolk, and Yee)

February 23, 2006

An act to add Chapter 2.66 (commencing with Section 65089.20) and Chapter 2.67 (commencing with Section 65089.30) to Division 1 of Title 7 of the Government Code, and to add Sections 9250.3 and 9250.4 to the Vehicle Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2444, as amended, Klehs. Congestion management and motor vehicle environmental mitigation fees.

Existing law provides for the imposition by air districts and other local agencies of fees on the registration of motor vehicles in certain areas of the state that are in addition to the basic vehicle registration fee collected by the Department of Motor Vehicles.

This bill would authorize the congestion management agencies in the 9 Bay Area counties, by a $\frac{2}{3}$ vote of all of the members of the governing board, to impose an annual fee of up to \$5 on motor vehicles registered within those counties for a program for the management of traffic congestion. The bill would require a program

with performance measures and a budget to be adopted before the fee may be imposed. The bill would require the agency to have an independent audit performed on the program *within 2 years after the fee becomes operative, and each year after that date*, and to submit a report to the Legislature on the program by July 1, 2011. The bill would require the Department of Motor Vehicles, if requested, to collect the fee and distribute the net revenues, after deduction of specified costs, to the agency. The bill would require that the fees collected may only be used to pay for programs bearing a relationship or benefit to the owners of motor vehicles paying the fee, and would require the agency to make a specified finding of fact in that regard by a $\frac{2}{3}$ vote.

This bill would also authorize the Bay Area Air Quality Management District, which is the air pollution control district for the 9-county Bay Area, to impose an annual fee of up to \$5 on motor vehicles registered with its jurisdiction for programs that mitigate the impacts of motor vehicles on the environment, including, but not limited to, stormwater runoff mitigation projects, water quality improvement projects, and air quality improvement projects. The bill would require a program with performance measures and a budget to be adopted by the Bay Area Air Quality Management District and the California Regional Water Quality Control Board for the San Francisco Bay Region before the fee may be imposed, and would require the fee to be adopted by a $\frac{2}{3}$ vote of the governing board of the district. The bill would require the Department of Motor Vehicles, if requested, to collect the fee and to distribute the net revenues, after deduction of specified costs, to the Bay Area Air Quality Management District and to the California Regional Water Quality Control Board for the San Francisco Bay Region based on a specified formula. The bill would require the recipient agencies to have an independent audit performed on the program *within 2 years after the fee becomes operative, and each year after that date*, and to submit a report to the Legislature on the program by July 1, 2011. The bill would require that the fees collected may only be used to pay for programs bearing a relationship or benefit to the owners of motor vehicles paying the fee, and would require the board to make a specified finding of fact in that regard by a $\frac{2}{3}$ vote.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Chapter 2.66 (commencing with Section 65089.20) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 2.66. MANAGEMENT OF TRAFFIC CONGESTION IN
THE BAY AREA

65089.20. (a) As used in this chapter, “county transportation agency” means an agency designated pursuant to Section 66531 to ~~develop~~ *submit* the county transportation plan.

(b) A county transportation agency may impose a fee of up to five dollars (\$5) on motor vehicles registered within the county if the board of the county transportation agency adopts a resolution providing for both the fee and a corresponding program for the management of traffic congestion as set forth in Sections 65089.21 to 65089.24, inclusive. Adoption by the board requires a vote of approval by two-thirds of all the members of the board.

(c) A fee imposed pursuant to this section shall not become operative until six months after the effective date of this section and pursuant to the resolution adopted by the board in subdivision (b).

(d) A county transportation agency may adopt a resolution by a majority vote of the board to cease collection of the fee commencing on a date determined by the county transportation agency in consultation with the Department of Motor Vehicles.

65089.21. (a) The net revenues from the fee distributed to the county transportation agency pursuant to Section 9250.3 of the Vehicle Code shall be used for purposes of congestion management consistent with the objectives of Section 65089.

(b) (1) The revenues may be used to pay for programs with a relationship or benefit to the owners of motor vehicles that are paying the fee. Eligible projects include, but are not limited to, roadway operations and improvements (not including the construction of through freeway lanes), public transit capital improvements and operations, and bicycle and pedestrian safety projects and programs.

(2) Prior to imposing the fee, the board of the county transportation agency shall make a finding of fact by two-thirds

1 of all the members of the board of that county transportation
2 agency that those programs bear a relationship or benefit to the
3 owners of motor vehicles that will pay the fee.

4 (c) The purpose of the congestion management program is to
5 address motor vehicle congestion.

6 (d) Not more than 5 percent of the fees distributed to the
7 county transportation agency shall be used by the agency for its
8 administrative costs associated with the program.

9 65089.22. Prior to the imposition of the fee by the county
10 transportation agency, a specific program with performance
11 measures and a budget shall first be developed and adopted by
12 the county transportation agency at a noticed public hearing.

13 65089.23. The county transportation agency shall have an
14 independent audit performed on the specific program adopted
15 pursuant to Section 65089.22 with the review and report
16 provided to the board at a noticed public hearing. *The*
17 *independent audit shall be performed within two years after the*
18 *fee established under this chapter becomes operative and each*
19 *year after that date.*

20 65089.24. The county transportation agency shall provide a
21 report to the Legislature on the specific program adopted
22 pursuant to Section 65089.22 by July 1, 2011.

23 SEC. 2. Chapter 2.67 (commencing with Section 65089.30) is
24 added to Division 1 of Title 7 of the Government Code, to read:

25
26 CHAPTER 2.67. ENVIRONMENTAL MITIGATION OF MOTOR
27 VEHICLES IN THE BAY AREA
28

29 65089.30. (a) As used in this chapter, “board” means the
30 governing body of the Bay Area Air Quality Management
31 District.

32 (b) The board may impose a fee of up to five dollars (\$5) on
33 motor vehicles registered within the counties in its jurisdiction if
34 the members of the board adopt a resolution providing for both
35 the fee and a corresponding program for the mitigation of the
36 impacts of motor vehicles on the environment submitted to the
37 board as set forth in Sections 65089.31 to 65089.34, inclusive.
38 Adoption by the board requires a vote of approval of two-thirds
39 of all the members of the board.

1 (c) A fee imposed pursuant to this section shall not become
2 operative until six months after the effective date of this section
3 and pursuant to the resolution adopted by the board in
4 subdivision (b).

5 (d) The board may adopt a resolution by majority vote to cease
6 collection of the fee commencing on a date determined by the
7 board in consultation with the Department of Motor Vehicles.

8 65089.31. (a) The net revenues available pursuant to Section
9 9250.4 of the Vehicle Code shall be distributed as follows:

10 (1) Fifty percent to the Bay Area Air Quality Management
11 District. Of these revenues, 75 percent shall be expended on
12 projects in the county of origin, as determined by the district, and
13 25 percent shall be expended on regional projects.

14 (2) Fifty percent to the California Regional Water Quality
15 Control Board for the San Francisco Bay Region. Of these
16 revenues, 75 percent shall be expended on projects in the county
17 of origin, as determined by the board, and 25 percent shall be
18 expended on regional projects.

19 (b) (1) The revenues may be used to pay for programs that
20 mitigate the impacts of motor vehicles on the environment,
21 including, but not limited to, stormwater runoff mitigation
22 projects, water quality improvement projects, and air quality
23 improvement projects, including those that address emissions
24 that contribute to climate change. The programs shall have a
25 relationship or benefit to the owners of motor vehicles that are
26 paying the fee.

27 (2) Prior to the imposition of the fee, the board shall make a
28 finding of fact by a two-thirds vote of all of the members of the
29 board that those programs bear a relationship or benefit to the
30 owners of motor vehicles that will pay the fee.

31 (c) Not more than 5 percent of the fees distributed to the Bay
32 Area Air Quality Management District or the California Regional
33 Water Quality Control Board for the San Francisco Bay Region
34 shall be used by those entities for their administrative costs
35 associated with the programs specified in this section.

36 65089.32. Prior to the imposition of the fee by the board, a
37 specific program with performance measures and a budget shall
38 first be developed and adopted by the Bay Area Air Quality
39 Management District and the California Regional Water Quality
40 Control Board for the San Francisco Bay Region for the

1 anticipated revenues each agency is expected to receive pursuant
2 to Section 65089.31. The adoption shall occur at a noticed public
3 hearing of each agency. Each agency shall submit the program
4 and budget to the board.

5 65089.33. The Bay Area Air Quality Management District
6 and the California Regional Water Quality Control Board for the
7 San Francisco Bay Region shall have an independent audit
8 performed on the specific program adopted pursuant to Section
9 65089.32 with the review and report provided to each agency at a
10 noticed public hearing. *The independent audit shall be performed*
11 *within two years after the fee established under this chapter*
12 *becomes operative and each year after that date.*

13 65089.34. The Bay Area Air Quality Management District
14 and the California Regional Water Quality Control Board for the
15 San Francisco Bay Region shall provide a report to the
16 Legislature on the specific program adopted pursuant to Section
17 65089.32 by July 1, 2011.

18 SEC. 3. Section 9250.3 is added to the Vehicle Code, to read:

19 9250.3. (a) The department shall, if requested by a county
20 transportation agency, collect the fee imposed pursuant to
21 Section 65089.20 of the Government Code upon the registration
22 or renewal of registration of any motor vehicle registered in the
23 county, except those vehicles that are expressly exempted under
24 this code from the payment of registration fees.

25 (b) A county transportation agency shall pay for the initial
26 setup and programming costs identified by the Department of
27 Motor Vehicles through a direct contract with the department.
28 Any direct contract payment by the county transportation agency
29 shall be repaid, with no restriction on the funds, to the county
30 transportation agency as part of the initial revenues distributed.
31 Regular Department of Motor Vehicles collection costs shall be
32 in accordance with subdivision (c). These costs shall not be
33 counted against the 5-percent administration cost limit specified
34 in subdivision (d) of Section 65089.21.

35 (c) After deducting all costs incurred pursuant to this section,
36 the department shall distribute the net revenues to the county
37 transportation agency.

38 (d) As used in this section, “county transportation agency” has
39 the same meaning as in subdivision (a) of Section 65089.20 of
40 the Government Code.

1 SEC. 4. Section 9250.4 is added to the Vehicle Code, to read:

2 9250.4. (a) The department shall, if requested by the
3 governing board of the Bay Area Air Quality Management
4 District, collect the fee imposed pursuant to Section 65089.30 of
5 the Government Code upon the registration or renewal of
6 registration of any motor vehicle registered in a county within the
7 jurisdiction of the board, except those vehicles that are expressly
8 exempted under this code from the payment of registration fees.

9 (b) The board shall pay for the initial setup and programming
10 costs identified by the Department of Motor Vehicles through a
11 direct contract with the department. Any direct contract payment
12 by the board shall be repaid, with no restriction on the funds, to
13 the board as part of the initial revenues available for distribution.
14 Regular Department of Motor Vehicles collection costs shall be
15 in accordance with subdivision (c). These costs shall not be
16 counted against the 5-percent administration cost limit specified
17 in subdivision (c) of Section 65089.31.

18 (c) After deducting all costs incurred pursuant to this section,
19 the department shall distribute the net revenues pursuant to
20 subdivision (a) of Section 65089.31 of the Government Code.

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23 CORRECTIONS:

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